

SENATE BILL 3858

By Burchett

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 53, relative to industrial development
corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-53-302(a)(11), is amended by inserting the following language between the language "notes", and the word "mortgage":

or to secure any indebtedness or obligations of any lessee of the corporation

SECTION 2. Tennessee Code Annotated, Section 7-53-312(a), is amended by deleting the language "prepare and" from that section.

SECTION 3. Tennessee Code Annotated, Section 7-53-312(d), is amended by deleting the subsection in its entirety and by substituting instead the following:

(d) Notwithstanding any provision in this section to the contrary, the corporation may submit, and any municipality may approve, an economic impact plan that allocates an amount greater than the base tax amount or, if applicable, the base sales tax revenues to the municipality or municipalities approving the plan.

SECTION 4. Tennessee Code Annotated, Section 7-53-312(h), is amended by deleting the subsection in its entirety and by substituting instead the following:

(h) All taxes allocated to the corporation pursuant to this section shall only be applied by the corporation to pay expenses of the corporation in furtherance of promoting economic development in the municipality, to pay costs of the corporation to acquire and develop project sites, to pay the cost of public improvements related to a project or to pay debt service on bonds or other obligations issued by the corporation to finance any of the foregoing. For purposes of this section, public improvements related to a project shall include all road, street, bridge, utility, drainage, park, greenway and

similar improvements that are necessary for or otherwise provide service to the project and shall also include parking facilities that are necessary for or otherwise provide parking for the project and that are available for use by the general public. The corporation is authorized to pledge any or all amounts received by the corporation pursuant to this section to the payment of such bonds or other obligations.

SECTION 5. Tennessee Code Annotated, Section 7-53-312, is amended by inserting the following subsection (k):

(k) An economic impact plan may further provide that any excess of local sales taxes received by each municipality that has approved the economic impact plan from the area subject to the plan over the base sales tax revenues shall be allocated to and, when received, shall be paid into a separate fund of the corporation established to hold such payments (along with any other amounts received by the corporation pursuant to this section) until applied for the purposes described in subsection (h) hereof. Upon approval of an economic impact plan containing such a provision by a municipality, the local sales taxes received by the municipality shall be divided and allocated as so provided. For the purpose of this section:

(1) "Base sales tax revenues" shall mean the revenues received by the municipality from local sales taxes (excluding that portion of the local sales tax dedicated for school purposes) from the area subject to the plan for the fiscal year of the municipality immediately prior to the year in which the plan is adopted, and

(2) "Local sales taxes" shall mean taxes received by the municipality pursuant to title 67, chapter 6, part 7, excluding that portion of the local sales taxes dedicated for school purposes.

SECTION 6. This act shall take effect upon becoming law, the public welfare requiring it.